

MASSACHUSETTS
HIGHTECHNOLOGYCOUNCIL

Dedicated to Growth... Committed to Action

December 16, 2004

Mary L. Cottrell
Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

**Re: Petition of Massachusetts Electric Company Nantucket Electric Company,
and New England Power Company for Approval of an Offer of Settlement;
D.T.E. 02-79, D.T.E. 03-124, D.T.E. 03-126**

Dear Ms. Cottrell:

The Massachusetts High Technology Council, Inc. writes to you as a signatory to the 1996 Massachusetts Electric Company Electric Restructuring Settlement Agreement, D.P.U./D.T.E. 96-25 ("1996 Restructuring Settlement Agreement").

We support the views expressed on the above referenced matter offered to you in writing On December 10, 2004 by the Mass. Department of Energy Resources (DOER) in opposition to an effort to recover costs associated with electricity customers who remained on Standard Offer service from customers who chose to participate in the competitive retail electricity markets. A significant number of those customers are members of the Massachusetts High Technology Council, and have been purchasing electricity from competitive retail suppliers continuously in our energy program since 1998.

In particular, we would like to stress the following portion of the comments offered by DOER:

However, it is not appropriate to apply § I.B.5(b) to the world we live in today. The more than 1.6 million Standard Offer customers are more than enough to absorb the costs that were incurred to serve them. By contrast, the alternative of recovering the deferred Standard Offer costs through distribution rates would force other customers – competitive supply and default service customers – to pay costs that were incurred to serve Standard Offer customers. Competitive supply and default service customers have already paid their own supply costs. They should not now be asked to pay Standard Offer customers' supply costs.

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Instead, we join DOER in recommending that the Department direct Massachusetts Electric to recover those costs from either today's Standard Offer customers through supply charges beginning as soon as possible or via a surcharge on Default Service rates for all Default Service customers. The cost recovery period should be as short as possible consistent with keeping the rate impacts reasonable, e.g. 12 to 24 months.

Thank you for the opportunity to provide comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'CAR', followed by a long horizontal flourish.

Christopher R. Anderson
President